

October 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>October 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$145,783,327	\$617,328,092
Percent Change	(10.1%)	(7.3%)
Corporate Income Tax		
Net Collections	\$18,274,465	\$116,958,834
Percent Change	(37.4%)	(16.7%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$242,468,120	\$993,670,393
Change	1.2%	1.4%
Total Big Three Tax Types		
Net Collections	\$406,525,912	\$1,727,957,319
Percent Change	(5.7%)	(4.8%)

TAX FACTS

October 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	October 2002	October 2001	% Change
Gross Collections	\$19,702,835	\$23,121,376	(14.8)
Withholding	185,218,851	202,066,912	(8.3)
Refunds	(23,258,438)	(27,788,950)	(16.3)
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
Net Collections	\$145,783,327	\$162,242,958	(10.1)

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$109,478,527	\$123,640,487	(11.5)
Withholding	726,488,608	761,767,798	(4.6)
Refunds	(75,119,359)	(78,722,412)	(4.6)
Urban Revenue Sharing	(143,519,684)	(140,625,524)	2.1
Net Collections	\$617,328,092	\$666,060,349	(7.3)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$25,722 in tax liability, refunds for this credit totaled \$99,059. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	41,074	1,462,149	74,772	104,607	6	40,993	288,240	14,880	201,193	2,628	33	2,230,575
%	1.8	65.6	3.4	4.7	0.0	1.8	12.9	0.7	9.0	0.1	0.0	

The 2,230,575 returns, representing current and prior tax years, filed through October 2002 represents an increase of 2.6% over the October returns filed during the same period of time in 2001. For tax year 2001 filed in 2002, 2,134,504 returns have been filed, a 1.9% increase over filings in October 2001 for tax year 2000.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,499,527 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 2.4% decrease in FAGI and an 8.2% decrease in tax liability. More specifically, 42.3% of these filers experienced a decrease in tax liability; on average a decrease of 45.2% with a corresponding average decrease in FAGI of 26.3%. Filers with an increase in tax liability totaled 702,895 or 46.9%, with an average FAGI increase of 27.4% and an average tax liability increase of 59.8%.

Average Individual Income Tax Refund

	Average	Number
2002 CYTD	\$579.34	1,522,444
2001 CYTD	\$645.46	1,346,401
% Change	(10.2%)	13.1%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 232,018 "new" returns have been filed thus far in 2002, representing approximately 282,298 persons, not including dependents. The average Federal Adjusted Gross Income for these 232,018 returns is \$19,739, with an average tax liability of \$324. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.4% had a married filing joint filing status, 7.9% claimed a 65 And Over Exemption and 34.3% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. An additional \$63.8 million in estimated payments came from 1999 tax returns that applied their refunds as a 2000 estimated payment, for an average of \$1,744. Estimated payments received through October 2002 for tax year 2001 were as follows:

10/02	140ES payment	(\$30,584)	Cumulative	\$336,339,309
10/01	140ES payment	\$57,036	Cumulative	\$366,044,953
	Percent change	N/A		(8.1%)
10/02	Average payment	\$2,353	Cumulative	\$1,479
10/01	Average payment	\$2,377	Cumulative	\$1,618
	Percent change	(1.0%)		(8.6%)
10/02	Applied refund	\$216,453	Cumulative	\$67,579,267
10/01	Applied refund	\$39,458	Cumulative	\$63,634,665
	Percent change	448.6%		6.2%
Total 10/02		\$185,869	Cumulative	\$403,918,576
Total 10/01		\$96,494	Cumulative	\$429,679,618
	Percent change	92.6%		(6.0%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2001, which shows a growth rate of 5.1% in withholding payments over the third quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2001	(0.2%)	3 rd Quarter 2002	(5.0%)
1 st Quarter 2002	(3.2%)	4 th Quarter 2002	5.5%
2 nd Quarter 2002	(2.7%)		

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	15,155	\$5,000,648	\$329.97
Calendar Year 2001	14,556	\$4,641,653	\$318.88
% Change	4.1%	7.7%	3.5%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2001:

	October 2002	Calendar Year Total
Check Off	\$34,095	\$3,226,236
Voluntary Donation	\$1,094	\$52,245
Number of Returns	4,408	444,384

Contributions on the Individual Income Tax Return

Through October 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,734	\$179,588	\$16.73
Child Abuse	12,328	\$212,312	\$17.22
Special Olympics	5,488	\$82,094	\$14.96
Neighbors Helping	3,368	\$41,176	\$12.23
AID to Education	496	\$36,051	\$72.68
Domestic Violence Shelter	8,604	\$149,492	\$17.37
Democratic Party	749	\$15,422	\$20.59
Republican Party	568	\$13,833	\$24.35
Libertarian Party	99	\$2,078	\$20.99
Reform Party	9	\$92	\$10.22
Green Party	166	\$2,573	\$15.50
Natural Law	11	\$180	\$16.36

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	October 2002	October 2001	% Change
Gross Collections	\$25,324,611	\$33,020,277	(23.3)
Refunds	(\$7,050,147)	(\$3,816,830)	84.7
Net Collections	\$18,274,465	\$29,203,447	(37.4)

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$146,542,991	\$167,958,869	(12.8)
Refunds	(\$29,584,157)	(\$27,516,724)	7.5
Net Collections	\$116,958,834	\$140,442,145	(16.7)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

October 2002	\$15,241,174	Calendar Year Total	\$275,867,659
October 2001	<u>\$20,865,883</u>	Calendar Year Total	<u>\$331,483,948</u>
% Change	(27.0%)	% Change	(16.8%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for October 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
October 2002	143	15	10	1	4	0	173	(18.1%)
October 2001	182	11	9	4	5	0	211	
CY 2002	2,145	249	260	59	38	0	2,751	(11.0%)
CY 2001	2,412	266	312	59	42	1	3,092	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	13.9%	17.3%	9.3%	52.7%	6.7%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

October 2002	\$23,326,591	Calendar Year Total	\$92,906,069
October 2001	<u>\$14,257,568</u>	Calendar Year Total	<u>\$54,604,851</u>
% Change	63.6	% Change	70.1%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through October 2002, 89,367 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	228	32,901	45,535	295	10,408
%	0.3	36.8	51.0	0.3	11.6

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through October 2001, the Arizona Department of Revenue received 96,176 documents with a fiscal year-end of 2000. Compared to 2001 documents, this represents a 7.1% decrease in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for October 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	October 2002	October 2001	% change
Distribution Base	\$98,911,133	\$97,585,683	1.4
Non shared	192,706,180	191,514,857	0.6
Use Tax	15,647,490	14,476,912	8.1
Education Tax	36,178,192	35,297,960	2.5
Other Revenues	42,194,141	40,447,944	4.3
Total Collections	\$385,637,135	\$379,323,357	1.7

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$406,422,492	\$400,428,284	1.5
Non shared	791,227,007	782,887,422	1.1
Use Tax	62,268,268	59,032,797	5.5
Education Tax	146,637,803	142,698,401	2.8
Other Revenues	169,312,696	164,985,163	2.6
Total Collections	\$1,575,868,267	\$1,550,032,068	1.7

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	October 2002	October 2001	% change
Retained by State	\$242,468,120	\$239,649,072	1.2
Returned to Counties	40,068,900	39,531,960	1.4
Returned to Cities	24,727,783	24,396,421	1.4
Education Tax	36,178,192	35,297,960	2.5
Other	42,194,141	40,447,944	4.3
Total Collections	\$385,637,135	\$379,323,357	1.7

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$993,670,393	\$979,993,261	1.4
Returned to Counties	164,641,752	162,234,942	1.5
Returned to Cities	101,605,623	100,120,301	1.5
Education Tax	146,637,803	142,698,401	2.8
Other	169,312,696	164,985,163	2.7
Total Collections	\$1,575,868,267	\$1,550,032,068	1.7

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	October 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$205,287	(3.8)	\$916,908	2.4
Non-Metal Mining/Oil & Gas	3.125%	670,137	21.2	2,569,925	10.3
Utilities	5.6%	30,873,814	3.0	121,622,637	2.9
Communications	5.6%	11,127,519	(11.7)	48,720,131	2.6
Railroads/Aircraft	5.6%	64,047	(51.7)	(2,574,513)	N/A
Private Car/Pipelines	5.6%	59,565	393.9	187,232	85.0
Publishing	5.6%	582,318	(21.1)	2,325,234	(4.2)
Printing	5.6%	1,472,592	5.1	9,468,454	58.8
Restaurants/Bars	5.6%	25,971,193	6.6	101,675,521	3.1
Amusements	5.6%	2,206,673	(0.9)	10,826,405	1.0
Commercial Lease	0%	(86,832)	(233.7)	(92,727)	N/A
Rental of Personal Property	5.6%	13,681,577	(5.8)	53,945,950	(8.4)
Contracting	3.75% - 5.6%	47,136,976	(1.4)	193,657,051	(3.1)
Feed Wholesale	Repealed	(60)	(99.2)	14	N/A
Retail	5.6%	151,090,080	1.7	628,538,825	2.8
Mining Severance	2.5%	83,423	75.6	338,705	113.6
Timber Severance	\$2.13/\$1.51 per 1000 board ft	(156)	(89.4)	156	N/A
Hotel/Motel	5.5%	6,116,488	10.4	23,609,083	(0.7)
Membership Camping	5.6%	3,575	(5.9)	17,290	(43.2)
Use/Use Inventory	5.6%	15,647,490	8.1	62,268,268	5.5
Rental Occupancy Tax	3.0%	11,123	9.0	37,171	(16.2)
Jet Fuel Tax	\$.0305/\$.0105 gal	328,736	(5.4)	1,764,473	25.2
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	518,029	(1.9)	2,044,294	(5.1)
Poison Control Fund	----	191,600	(1.9)	756,109	(5.1)
911 Wireline/Excise	\$0.37 monthly per activated service	1,251,598	(6.3)	4,914,801	5.0
911 Wireless Service	\$0.37 monthly per activated service	813,050	96.8	2,871,259	42.4
Total		\$310,020,153	1.3	1,270,418,655	1.5

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	October 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,105,746	(3.8)	\$18,338,160	2.4
Non-Metal Mining/Oil & Gas	21,444,394	21.2	82,237,603	10.3
Utilities	617,476,275	3.0	2,432,452,733	2.9
Communications	222,550,377	(11.7)	974,402,610	2.6
Railroads/Aircraft	1,280,947	(51.7)	(51,490,264)	N/A
Private Car/Pipelines	1,191,295	393.9	3,744,631	85.0
Publishing	11,646,365	(21.1)	46,504,671	(4.2)
Printing	29,451,835	5.1	189,369,080	58.8
Restaurants/Bars	519,423,856	6.6	2,033,510,423	3.1
Amusements	44,133,461	(0.9)	216,528,102	1.0
Commercial Lease	(8,822,044)	(274.1)	(10,422,965)	N/A
Rental of Personal Property	273,631,542	(5.8)	1,078,919,003	(8.4)
Contracting	942,739,523	(1.4)	3,873,141,029	(3.1)
Feed Wholesale	(12,725)	(99.2)	2,974	N/A
Retail	3,021,801,593	1.7	12,570,776,494	2.8
Mining Severance	3,336,902	75.6	13,548,205	113.6
Timber Severance	0	N/A	0	N/A
Hotel/Motel	111,208,866	10.4	429,437,878	(0.7)
Membership Camping	71,499	(5.9)	345,807	(43.2)
Use/Use Inventory	312,837,534	8.1	1,243,589,846	5.8
Rental Occupancy Tax	370,755	9.0	1,239,020	(16.2)
Agriculture Equipment	0	N/A	0	N/A
Total	\$6,129,867,997	1.1	\$25,146,175,040	1.3

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In October 2002, 10,962,255 gallons of jet fuel were taxed, a 28.8% decrease from the 15,401,041 reported for October 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in October 2002 was \$1,202,936 a 3.5% decrease from the \$1,246,396 claimed in October 2001. Accounting credits claimed-to-date in FY 02/03 equals \$5,396,273 a 0.5% increase from the \$5,369,843 claimed during the same period in FY 01/02.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>October 2002</u>	<u>October 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$179,631,985	\$172,732,593	4.0
5311-5399	general merchandise stores	229,459,826	231,058,622	(0.7)
5411-5499	food stores (no food sales)	242,641,229	240,842,618	0.7
5511-5521	motor vehicle dealers	584,511,692	599,058,759	(2.4)
5531-5599	misc. automotive, motorcycle & boat stores	158,247,458	148,943,579	6.2
5611-5699	apparel & accessory stores	180,194,891	164,173,894	9.8
5712-5733	furniture, home furnishings & equipment stores	158,243,214	153,617,684	3.0
5912-5949	misc. retail stores	190,618,183	186,270,710	2.3
TOTAL		\$3,021,801,593	\$2,970,480,888	1.7

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$763,314,435	\$709,775,087	7.5
5311-5399	general merchandise stores	954,441,842	1,090,229,262	(12.5)
5411-5499	food stores (no food sales)	978,304,556	936,794,462	4.4
5511-5521	motor vehicle dealers	2,532,395,036	2,476,805,164	2.2
5531-5599	misc. automotive, motorcycle & boat stores	673,319,093	659,864,904	2.0
5611-5699	apparel & accessory stores	740,686,560	699,790,585	5.8
5712-5733	furniture, home furnishings & equipment stores	628,636,127	623,778,057	0.8
5912-5949	misc. retail stores	760,082,015	753,619,670	0.9
TOTAL		\$12,570,776,495	\$12,227,684,428	2.8

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for October 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	251,417	\$309,329	0.8	\$1,276,320	1.7
Cochise	1,430,518	720,048	1.8	2,964,979	2.3
Coconino	3,117,634	1,195,805	3.0	4,973,920	1.6
Gila	695,144	327,817	0.8	1,347,929	(1.9)
Graham	307,359	185,423	0.5	770,979	(0.4)
Greenlee	196,762	143,532	0.4	599,227	(6.6)
La Paz	193,664	111,634	0.3	479,768	2.8
Maricopa	66,606,386	25,716,165	64.2	105,190,791	1.1
Mohave	2,505,954	1,069,129	2.7	4,476,952	5.4
Navajo	1,524,384	662,222	1.7	2,802,898	2.5
Pima	14,657,070	6,016,835	15.0	24,933,465	1.6
Pinal	1,760,721	1,016,759	2.5	4,220,249	5.3
Santa Cruz	549,052	250,800	0.6	1,050,865	1.4
Yavapai	3,036,861	1,338,768	3.3	5,516,773	2.1
Yuma	2,078,207	1,004,635	2.5	4,036,637	4.3
Total	\$98,911,133	\$40,068,900		\$164,641,752	1.5

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for October 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during October 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$83,355							
Cochise		\$426,671							
Coconino		\$875,357	\$523,029						
Gila	\$225,879	\$220,358					\$1		
Graham		\$93,860							
Greenlee		\$56,344							
La Paz		\$58,718	\$58,590				\$12,977		
Maricopa	\$21,809,475		\$7,929,804	\$366,785	\$8,771				\$1,027,220
Mohave		\$374,697							
Navajo		\$434,611							
Pima				\$102,895		\$8,747			
Pinal	\$623,669	\$601,234							
Santa Cruz		\$156,268							
Yavapai		\$911,440	\$363,381						
Yuma		\$616,794	\$614,316					\$612,359	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in October 2002. The table compares the receipts to October 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	October 2002	October 2001	% Change
Spirituous	\$1,432,388	\$1,405,419	1.9
Vinous	702,877	629,626	11.6
Malt	1,856,859	1,810,787	2.5
Cigarette	23,656,778	10,353,735	128.5
Other Tobacco	360,341	255,715	40.9
Tobacco Licenses	225	150	50.0
Total	\$28,009,468	\$14,455,432	93.8

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Spirituous	\$6,094,217	\$6,069,462	0.4
Vinous	2,554,387	2,219,402	15.1
Malt	7,409,435	7,239,627	2.4
Cigarette*	63,852,265	51,230,082	26.6
Other Tobacco	1,366,337	1,203,372	13.5
Tobacco Licenses	1,700	1,400	21.4
Total	\$81,278,341	\$67,963,345	19.6

*Through October 2002, \$408,400 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	October 2002	FY (02/03)
Spirituous	\$1,002,672	\$4,265,952
Vinous	175,225	636,871
Malt	464,215	1,852,358
Cigarette	6,146,559	17,302,785
Other Tobacco	55,853	211,782
Tobacco Licenses	225	1,700
Total	\$7,844,748	\$24,271,448

Other dedicated revenues from luxury taxes:

	October 2002	FY (02/03)
Correction Fund revenues	\$2,389,529	\$8,571,932
Health Care Fund revenues	16,993,536	45,332,408
Wine Promotional Fund revenues	1,978	6,901
Drug Treatment & Education Fund revenues	560,664	2,218,841
Corrections Revolving Fund revenues	222,015	879,811

Estate Tax

	October 2002	\$6,307,411		Fiscal year To Date	\$24,219,865
	October 2001	<u>\$13,675,994</u>		Fiscal year To Date	<u>\$32,573,710</u>
% Change		(53.9%)		% Change	(25.6%)

Private Car

	October 2002	\$0		Fiscal year To Date	\$0
	October 2001	<u>\$0</u>		Fiscal year To Date	<u>\$0</u>
% Change		N/A		% Change	N/A

Bingo

	October 2002	\$67,035		Fiscal year To Date	\$215,456
	October 2001	<u>\$73,663</u>		Fiscal year To Date	<u>\$225,377</u>
% Change		(9.0%)		% Change	(4.4%)

Unclaimed Property

	October 2002	\$6,960,558		Fiscal year To Date	\$8,932,958
	October 2001	<u>\$6,339,587</u>		Fiscal year To Date	<u>\$7,099,736</u>
% Change		9.8%		% Change	25.8%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through October 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,893	0.8%	-\$18,760	-\$7	19.9%	71.6%	5.1%	3.3%	14.2%	12.3%
\$0-\$5,000	50,509	21.8%	\$2,724	\$0	4.3%	83.9%	10.8%	1.0%	3.9%	15.6%
\$5,000-\$10,000	49,379	21.3%	\$7,390	\$24	8.4%	69.8%	20.4%	1.4%	6.8%	28.4%
\$10,000-\$15,000	35,087	15.1%	\$12,356	\$86	15.9%	53.3%	28.8%	2.0%	9.4%	40.8%
\$15,000-\$20,000	25,811	11.1%	\$17,349	\$161	22.3%	45.0%	29.8%	2.8%	9.7%	45.1%
\$20,000-\$25,000	17,296	7.5%	\$22,341	\$262	27.2%	40.1%	29.1%	3.5%	7.8%	48.4%
\$25,000-\$30,000	11,750	5.1%	\$27,340	\$398	30.1%	40.8%	24.6%	4.5%	7.6%	45.3%
\$30,000-\$40,000	14,381	6.2%	\$34,531	\$569	37.4%	38.1%	20.3%	4.2%	8.6%	44.0%
\$40,000-\$50,000	8,373	3.6%	\$44,599	\$802	47.4%	33.3%	15.6%	3.6%	10.9%	43.9%
\$50,000-\$75,000	10,302	4.4%	\$60,235	\$1,177	61.4%	26.1%	10.0%	2.5%	13.4%	45.3%
\$75,000-\$100,000	3,655	1.6%	\$85,442	\$1,866	70.8%	20.3%	6.8%	2.1%	15.0%	44.7%
\$100,000-\$200,000	2,909	1.3%	\$130,941	\$3,397	72.9%	19.8%	5.6%	1.7%	17.0%	41.1%
\$200,000-\$500,000	544	0.2%	\$287,353	\$9,818	69.9%	21.7%	6.2%	2.2%	20.4%	38.3%
\$500,000-\$1,000,000	81	0.0%	\$671,917	\$26,981	59.8%	29.3%	7.3%	3.7%	25.6%	24.4%
\$1,000,000 and over	48	0.0%	\$2,697,072	\$133,571	55.8%	26.9%	11.5%	5.8%	26.9%	26.9%
Total	232,018		\$19,739	\$324	20.4%	57.1%	20.3%	2.2%	7.9%	34.3%

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
October 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,798,117	202,705
Eagar	\$35,775	4,033	Surprise	273,641	30,848
Springerville	17,493	1,972	Tempe	1,407,101	158,625
St. Johns	28,998	3,269	Tolleson	44,122	4,974
<u>Cochise County</u>			Wickenburg	45,080	5,082
Benson	41,789	4,711	Youngtown	26,701	3,010
Bisbee	54,022	6,090	<u>Mohave County</u>		
Douglas	126,956	14,312	Bullhead City	299,552	33,769
Huachuca City	15,532	1,751	Colorado City	29,575	3,334
Sierra Vista	335,087	37,775	Kingman	178,024	20,069
Tombstone	13,341	1,504	Lake Havasu City	372,016	41,938
Willcox	33,114	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,617	4,917
Flagstaff	469,202	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,259	7,695
Page	60,400	6,809	Snowflake	39,563	4,460
Williams	25,210	2,842	Taylor	28,173	3,176
<u>Gila County</u>			Winslow	84,448	9,520
Globe	66,405	7,486	<u>Pima County</u>		
Hayden	7,913	892	Marana	120,250	13,556
Miami	17,174	1,936	Oro Valley	263,457	29,700
Payson	120,818	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<u>Graham County</u>			Tucson	4,317,318	486,699
Pima	17,644	1,989	<u>Pinal County</u>		
Safford	81,893	9,232	Apache Junction	282,210	31,814
Thatcher	35,678	4,022	Casa Grande	223,752	25,224
<u>Greenlee County</u>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,033	10,375
Duncan	7,203	812	Florence	128,322	14,446
<u>La Paz County</u>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,304	35,883	Nogales	185,201	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,964	2,927	<u>Yavapai County</u>		
Cave Creek	33,070	3,728	Camp Verde	83,836	9,451
Chandler	1,566,381	176,581	Chino Valley	69,501	7,835
El Mirage	67,496	7,609	Clarkdale	30,355	3,422
Fountain Hills	179,497	20,235	Cottonwood	81,423	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,079	109,697	Prescott	301,051	33,938
Glendale	1,940,996	218,812	Prescott Valley	208,770	23,535
Goodyear	167,742	18,911	Sedona	90,409	10,192
Guadalupe	46,376	5,228	<u>Yuma County</u>		
Litchfield Park	33,797	3,810	San Luis	135,916	15,322
Mesa	3,516,089	396,375	Somerton	64,454	7,266
Paradise Valley	121,208	13,664	Wellton	16,224	1,829
Peoria	961,255	108,364	Yuma	687,605	77,515
Phoenix	11,718,477	1,321,045			
Queen Creek	38,286	4,316	TOTAL	\$35,879,921	4,044,808

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
October 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,239,229	202,705
Eagar	\$24,656	4,033	Surprise	188,588	30,848
Springerville	12,056	1,972	Tempe	969,748	158,625
St. Johns	19,285	3,269	Tolleson	30,408	4,974
<u>Cochise County</u>			Wickenburg	31,069	5,082
Benson	28,801	4,711	Youngtown	18,402	3,010
Bisbee	37,231	6,090	<u>Mohave County</u>		
Douglas	87,496	14,312	Bullhead City	206,446	33,769
Huachuca City	10,705	1,751	Colorado City	20,382	3,334
Sierra Vista	230,936	37,775	Kingman	122,691	20,069
Tombstone	9,195	1,504	Lake Havasu City	256,386	41,938
Willcox	22,822	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	30,060	4,917
Flagstaff	323,366	52,894	Pinetop/Lakeside	21,898	3,582
Fredonia	6,334	1,036	Show Low	47,043	7,695
Page	41,627	6,809	Snowflake	27,266	4,460
Williams	17,374	2,842	Taylor	19,416	3,176
<u>Gila County</u>			Winslow	58,200	9,520
Globe	45,765	7,486	<u>Pima County</u>		
Hayden	5,453	892	Marana	82,874	13,556
Miami	11,836	1,936	Oro Valley	181,570	29,700
Payson	83,265	13,620	Sahuarita	19,820	3,242
Winkelman	2,708	443	South Tucson	33,563	5,490
<u>Graham County</u>			Tucson	2,975,416	486,699
Pima	12,160	1,989	<u>Pinal County</u>		
Safford	56,439	9,232	Apache Junction	194,494	31,814
Thatcher	24,588	4,022	Casa Grande	154,206	25,224
<u>Greenlee County</u>			Coolidge	47,599	7,786
Clifton	15,871	2,596	Eloy	63,427	10,375
Duncan	4,964	812	Florence	88,437	14,446
<u>La Paz County</u>			Kearny	13,749	2,249
Parker	19,196	3,140	Mammoth	10,772	1,762
Quartzsite	20,505	3,354	Superior	19,893	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	219,369	35,883	Nogales	127,637	20,878
Buckeye	51,946	8,497	Patagonia	5,386	881
Carefree	17,894	2,927	<u>Yavapai County</u>		
Cave Creek	22,791	3,728	Camp Verde	57,778	9,451
Chandler	1,079,521	176,581	Chino Valley	47,899	7,835
El Mirage	46,517	7,609	Clarkdale	20,920	3,422
Fountain Hills	123,706	20,235	Cottonwood	56,115	9,179
Gila Bend	12,105	1,980	Jerome	2,011	329
Gilbert	670,629	109,697	Prescott	207,479	33,938
Glendale	1,337,699	218,812	Prescott Valley	143,880	23,535
Goodyear	115,612	18,911	Sedona	62,308	10,192
Guadalupe	31,961	5,228	<u>Yuma County</u>		
Litchfield Park	23,292	3,810	San Luis	93,670	15,322
Mesa	2,423,224	396,375	Somerton	44,420	7,266
Paradise Valley	83,534	13,664	Wellton	11,182	1,829
Peoria	662,479	108,364	Yuma	473,885	77,515
Phoenix	8,076,159	1,321,045	TOTAL	\$24,727,783	4,044,808
Queen Creek	26,386	4,316			

*The Office of Economic Research & Analysis
Arizona Department of Revenue
1600 W. Monroe
Phoenix, AZ 85007*